

0510.13 Procurement of Commodities and Services

Issued January 9, 2003

- SUBJECT:** Procurement of Commodities and Services.
- APPLICATION:** Executive Branch Departments and Sub-units.
- PURPOSE:** To provide a description of the various types of procurements handled by Acquisition Services and to specify procedures for making such purchases.
- CONTACT AGENCY:** Department of Management and Budget (DMB) - Acquisition Services
- TELEPHONE:** 517/335-0230
- FAX:** 517/335-0046
- SUMMARY:** These procedures apply to procurement of all commodities and services under jurisdiction of Acquisition Services. These procedures are mandatory for Executive Branch Departments unless specifically provided otherwise by statute
- APPLICABLE FORMS:** Requisition Header (PCHL2100)
Invitation to Bid (PCHL2311)
Purchase Order (PCHL2340)
Blanket Purchase Order (PCHL2342)
CS-138, Contractual Services Request
- APPROVALS:** The following procurements require approvals prior to coming to Acquisition Services.
- **Services:** The disbursement of funds to pay for services performed by an independent contractor must have the prior approval of the Civil Service Commission pursuant to the CS-138 process (ADPICS screen 2117). See the Department of Civil Service Web Site at www.michigan.gov/mdcs.
 - Certain services and commodities may have central approval requirements. See ADPICS Data Entry Guide, Appendix A, for the Document Approval Path Table (PCHL 5981) and the Commodity Approval Path Table (PCHL 5983) for a complete list of approval paths for document/document types and NIGP commodity codes.

Department/Agency Staff:

- Must follow their department's procurement policies and procedures.
- Identifies a need. If a service is needed, determines if the need will be best satisfied by Special Personal Services or an independent contractor. If Special Personal Services are needed, to work through the agency Human Resource Office. If an independent contractor is determined to be the method, proceeds under this procedure.
- If a sole source purchase is being requested, writes sole source justification. A sole source award can be issued for one or more of the following documented conditions: (1) The service or commodity is available from only one source. (2) The service or commodity must be compatible with current services or equipment. (3) It would not be economically feasible for another vendor to perform the service. (4) A single vendor is uniquely qualified to meet the agency's procurement objective.
- If the need can be best fulfilled by an educational institution or governmental agency, writes a justification which documents the facts.
- Determines if the commodity or service is available from an existing State contract or has been set aside to purchase only from MSI or a Community Rehabilitation Organization. If available

from a state contract, issues a contract release. If set aside to be purchased from MSI or if available from MSI and the agency wishes to purchase from MSI, processes the request to MSI using the SI document type.

- Prepares an ADPICS Requisition Header Entry (PCHL 2100) with appropriate information and submits to obtain all required internal and external approvals. If a service is to be obtained, checks if service is preauthorized or non-juris. If not, completes the CS138 Header Entry Screen (PCHL 2117) to obtain Civil Service approval.
- Provides: estimated cost; a complete description of the commodity or service required; quantity; delivery/deliverable schedule (if multiple deliverables are required, identify requirements for each) and period of time needed; any specialized licensing requirements; contract period; basis for payment; criteria for evaluating and awarding the contract; name of the contract administrator or contact person; current vendor and additional recommended vendors, and any other information that would be beneficial to the vendor community in responding to the Invitation to Bid, if issued. If this information is provided in a separate document, include the requisition number on this document. At the request of the department, Acquisition Services can assist in the development of the work statement, specifications and the award criteria.
- Provides the information outlined in the preceding bullet in an electronic form. The file may be transmitted to Acquisition Services with an email to DMB-ACQ-Point@michigan.gov. Include the requisition number in the email message. Departments are required to submit all requisition attachments in an electronic form (with the exception of blueprints, drawings, samples, etc.) to be posted on the Acquisition Services web site (www.michigan.gov/doingbusiness).
- It is not necessary to provide all terms and conditions. Department/Agency staff should focus on development of the work statement. Acquisition Services will work with the department to determine the appropriate terms and conditions.

Acquisitions Services:

- Receives electronic ADPICS requisition and matches it with attachments, if indicated on the requisition.
- Assigns a buyer, enters buyer initials on the requisition (PCHL 2100), and identifies the buyer name in the notepad. Acquisition Services buyer contacts the department to develop a mutually agreeable time frame for completing the procurement.
- Ensures that the request will allow for competition, or ensures that any sole source requests or requests for services to be performed by a public supported college or university or by a governmental entity have justification attached.
- In consultation with the department, reviews award criteria to ensure they will result in the proper selection of a vendor, determines the risks associated with the purchase and incorporates the necessary terms and conditions that will provide adequate protection for the State. Reviews the final document with the department.
- If the value of the procurement is between \$25,000 and \$100,000, a contract or purchase order may be awarded by Acquisition Services from informal bids that have either been taken by the department or Acquisition Services, or a competitive ITB may be posted on the Acquisition Services web site. If the value of the procurement is estimated to be \$100,000 or greater, Acquisition Services issues a formal competitive solicitation (ADPICS Invitation to Bid Definition Screen PCHL 2311) to the vendor community, either by mailing directly to selected vendors or notifying those vendors that the solicitation is posted on the Acquisition Services website. Vendors suggested by the department would be included in any mailing or notification.
- If an ITB is issued and it has an estimated value greater than \$50,000, posts the solicitation on the Acquisition Services web site.
- While the solicitation is out for bid and until the award is made, acts as the sole contact point with the vendor community. If department staff receives inquiries regarding a solicitation, they should not respond, but should direct vendors to Acquisition Services.
- Schedules and holds a prebid meeting, if needed.
- Keeps the department informed of all progress throughout the process and all issues that arise.

- Completes the procurement process, which may include evaluation by a JEC (See Procedure 0510.07).
- Consults with the requesting department to select the vendor offering the best value to the state. If the selected bid or proposal exceeds the departments estimated cost, obtains approval from the requesting department to proceed with the award. Agency may have to obtain an amended CS-138.
- Obtains required administrative approvals from the State Administrative Board (See Procedures 0620.01 and 0620.02) and the Department of Civil Rights (see Procedure 1630.1).
- Works with the department to develop the contract or purchase order that incorporates all the state's requirements and the vendor's acceptable offer. Issues the contract or purchase order. A contract that contains the signature of the contractor and the State contracting agent is used for all professional services, both short and long term, and recurring services and commodities. A purchase order can be used for the one-time purchase of commodities or for non-professional and general labor services provided they are of low risk, routine and within a one year period or less.

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